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DE RUEHTA #2934 2971354
ZNY SSSSS ZZH
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FM AMEMBASSY ASTANA
TO RUEHC/SECSTATE WASHDC 1019
INFO RUEHAH/AMEMBASSY ASHGABAT 7258
RUEHBJ/AMEMBASSY BEIJING 0019
RUEHEK/AMEMBASSY BISHKEK 8197
RUEHDBU/AMEMBASSY DUSHANBE 2291
RUEHIL/AMEMBASSY ISLAMABAD 2140
RUEHBUL/AMEMBASSY KABUL 0363
RUEHNE/AMEMBASSY NEW DELHI 0480
RUEHNT/AMEMBASSY TASHKENT 8083

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E.O. 12958: DECL: 10/24/2037
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PK, PREL, RS, TI, UZ
SUBJECT: KAZAKHSTANI BUSINESSMAN AGAIN REQUESTS USG HELP
WITH BID FOR AFGHAN MINE

REF: A. ASTANA 2344

[1](#)B. ASTANA 2388

Classified By: AMB. ORDWAY FOR REASONS 1.4 (B) AND (D)

[1](#)1. (S) Rakhat Kereitbayev (General Director of KazInvest, Chairman of the Board of Kanimansur, and Advisor to Kazyna Chairman Kelimbetov) updated Econoff on October 14 and 24 on the latest status of the Kazakhstani bid for Afghanistan's AYNAK mine (Ref A and B). Zia Massoud, Afghanistan's 1st Vice President is, according to Kereitbayev, still the leading Afghan Government (GOA) proponent of the Kazakhstani bid. Kereitbayev stated that there is tension between Massoud and President Karzai, who remains on the sidelines, partly due to his fear of an eruption of a scandal involving his brother. Karzai's brother, Kereitbayev claimed, is a drug baron who keeps his money in the Bank of China and is thus susceptible to pressure by the Chinese. On October 24 Kereitbayev told Econoff that he was somewhat heartened by Karzai's recent interview to the BBC in which he spoke favorably of the Kazakhstani bid.

[1](#)2. (S) According to Kereitbayev, the Chinese bid for the AYNAK mine was largely driven by corruption (ref A), and China has now seen its chances evaporate. However, Kereitbayev stated that the Chinese are still pursuing the AYNAK mine using a Canadian company as a front. Although he does not know the exact breakdown of the Canadian/Chinese deal, Kereitbayev said that the Canadian bid is "largely Chinese."

[1](#)3. (S) Kereitbayev reiterated that the Kazakhstanis' plan to build a North-South railroad in Afghanistan is contingent on winning the bid for the AYNAK mine (ref A). He stated that the Kazakhstanis would do a "50/50" deal with the Afghans on the railroad and secure funding from the World Bank, the European Development Bank and, possibly, the Development Bank of Kazakhstan. He added that Kazakhstan is highly (and uniquely) capable of building a north-south railroad. Such a project, Kereitbayev explained, would require a lot of steel, which the Kazakhstanis could obtain from Russia and Ukraine. He noted that the Chinese would have no interest in a north-south railroad, since they would take AYNAK's copper to China or a Chinese-owned processing plant in Pakistan.

[1](#)4. (S) Kereitbayev continued that the situation in Afghanistan remains precarious due to the drug trade and uncertainty about the longevity of the foreign forces' presence. He was emphatic that Kazakhs are uniquely

positioned to operate in Afghanistan even under challenging circumstances. To Afghans, he said, "we are Muslims, and we know how to play the part," adding that the Afghans are suspicious of the Chinese and resent some of the things they tend to bring to Afghanistan, such as brothels and gambling joints. Kereitbayev noted that his firm has a representative in Kabul, who is a Moscow-educated Kazakhstani citizen of Tajik descent. This person, Kereitbayev added, is a Farsi speaker, enjoys Afghans' trust and used to import Kazakhstani wheat into Afghanistan even back in the Taliban days.

15. (C) The picture painted by Kereitbayev contrasts somewhat with the one presented on October 10 by Kazakhstan's State Secretary Saudabayev to Deputy Assistant Secretary of Defense

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Debra Cagan and the DCM. In that conversation Saudabayev stated the Afghans have not been particularly favorable to the Kazakhstani investors.

16. (S) Kereitbayev told Econoff on October 24 that he expects the GOA's decision on the AYNAK mine to materialize soon and requested USG assistance with promoting the Kazakhstani bid over the Chinese one (masquerading as Canadian).
Ordway